

AMENDED IN ASSEMBLY APRIL 22, 2013

AMENDED IN ASSEMBLY APRIL 2, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1318

Introduced by Assembly Member Bonilla

February 22, 2013

An act to amend Section 66021.2 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1318, as amended, Bonilla. Student financial aid: Cal Grant Program.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement Awards, the California Community College Transfer Cal Grant Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions, as defined.

This bill would add provisions that would set the maximum Cal Grant award levels for students attending ~~nonprofit~~, nonpublic postsecondary educational institutions that are accredited by the Western Association of Schools and Colleges, commencing with the 2014–15 award year. The bill would provide that a ~~nonprofit~~, nonpublic postsecondary educational institution accredited by the Western Association of Schools and Colleges would be deemed a qualifying institution if the total

amount of institutional aid, as defined, provided to California resident students by that institution, in any award year, is no less than 50% of the total Cal Grant awards received by their students, except for institutions meeting prescribed conditions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California relies on private ~~nonprofit~~ colleges and universities
4 accredited by the Western Association of Schools and Colleges
5 (WASC) to help meet the state's higher education needs, ~~educating~~
6 ~~24 percent of the state's undergraduates.~~

7 ~~(b) California provides Cal Grant support to approximately~~
8 ~~26,000 students annually attending WASC accredited private~~
9 ~~nonprofit colleges and universities, and additional California~~
10 ~~students attending these institutions are educated at zero cost to~~
11 ~~the state.~~

12 ~~(c) Eighty-five percent of all students attending California's~~
13 ~~WASC accredited private nonprofit colleges and universities~~
14 ~~receive institutionally funded student aid.~~

15 ~~(d) California's WASC accredited private nonprofit colleges~~
16 ~~and universities effectively educate a diverse state population, and~~
17 ~~have a four-year graduation rate for Cal Grant students in excess~~
18 ~~of 60 percent.~~

19 ~~(e)~~

20 (b) The maximum award for Cal Grant students attending
21 WASC accredited private ~~nonprofit~~ colleges and universities has
22 not increased since 1999:

23 (1) It was cut by almost 15 percent for the 2005–06 and 2006–07
24 cohorts.

25 (2) It was cut by 5 percent for new and renewal grants for the
26 2012–13 award year, and is scheduled to be cut an additional 1.5
27 percent in the 2013–14 award year and 11 percent in the 2014–15
28 award year for new awardees.

29 (3) Even if the maximum award had not been cut, its value
30 would have decreased by over 30 percent due to inflation.

(4) In inflation-adjusted dollars, the maximum award for the 2014–15 award year will be the lowest amount California has invested in academically qualified, financially deserving students that attend private nonprofit WASC accredited institutions.

~~(f) Cal Grant students attending private nonprofit WASC accredited institutions are a good investment for the state because of all of the following:~~

~~(1) They have a high persistence and graduation rate.~~

~~(2) They free up capacity at public institutions.~~

~~(3) They are unlikely to need Cal Grant assistance for their children.~~

~~(g)~~

(c) The Cal Grant program effectively and successfully helps California’s private nonprofit colleges and universities to recruit, retain, and graduate historically underrepresented students from low-income families. Cal Grants are a ladder of opportunity, and they leverage nonpublic student aid to help students graduate from college without excessive student debt:

~~(1) Cal Grant recipients are 33 percent Latino, 18 percent Asian American, 6 percent African American, 1 percent Native American, 1 percent Pacific Islander, 4 percent two or more races, 13 percent unknown, and 24 percent Caucasian.~~

~~(2) Cal Grant recipients are some of California’s financially neediest students, with an average family income for Cal Grant A students of \$40,896.~~

~~(h) Cal Grant students at California’s WASC accredited private nonprofit colleges and universities account for less than 2 percent of California’s postsecondary education budget.~~

~~(i) Cal Grant students at WASC accredited private nonprofit colleges and universities deserve to be treated similarly to as similar students attending public institutions.~~

~~(j)~~

(d) Predictable and stable funding formulas and eligibility requirements ensure that the state maximizes its investment and allows families to plan and pay for higher education.

~~(k)~~

(e) Legislative action is needed to adopt a reasonable formula that supports predictability and supports parity for students at private nonprofit colleges.

SEC. 2. Section 66021.2 of the Education Code is amended to read:

66021.2. Consistent with the state's historic commitment to provide educational opportunity by ensuring both student access to and selection of an institution of higher education for students with financial need, the long-term policy of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program established pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 shall be as follows:

(a) Commencing with the 2001–02 academic year and every year thereafter, an applicant for a Cal Grant A or B award shall receive an award that is not in excess of the financial need amount determined by the Student Aid Commission pursuant to Section 69432.9 if he or she complies with all of the following requirements:

(1) Demonstrates financial need under the criteria adopted pursuant to Section 69432.9.

(2) Attains a grade point average, as defined in Section 69432.7, meeting the requirements of Chapter 1.7 (commencing with Section 69430) of Part 42.

(3) Complies with each of the eligibility criteria applicable to the type of Cal Grant award for which he or she is applying.

(b) (1) The maximum Cal Grant A award for a student attending the University of California or the California State University shall equal the mandatory systemwide fees in each of those segments.

(2) The maximum Cal Grant B award for a student to which this subdivision is applicable shall equal the mandatory systemwide fees in the segment attended by the student, except for community college students who receive waivers from the Board of Governors of the California Community Colleges, plus the access award calculated as specified in Article 3 (commencing with Section 69435) of Chapter 1.7 of Part 42, except that in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(c) The maximum Cal Grant awards for students attending nonpublic institutions shall be as follows:

(1) The maximum Cal Grant A award shall equal the tuition award level established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts.

(2) The maximum Cal Grant B award shall equal the amount of the tuition award as established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts, plus the amount of the access costs specified in Section 69435, except that, in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(3) Notwithstanding paragraphs (1) and (2), and notwithstanding Section 69432:

(A) The maximum Cal Grant award for a student attending a ~~nonprofit~~, nonpublic postsecondary educational institution accredited by the Western Association of Schools and Colleges shall be set and maintained at 80 percent of the base funding per Cal Grant student at the University of California and the California State University, as determined by the average state support per student plus the average Cal Grant award for the University of California and the California State University, except as provided in clauses (i) to (iv), inclusive.

(i) For the 2014–15 award year, the maximum award shall be 70 percent of the amount calculated pursuant to subparagraph (A).

(ii) For the 2015–16 award year, the maximum award shall be 80 percent of the amount calculated pursuant to subparagraph (A).

(iii) For the 2016–17 award year, the maximum award shall be 90 percent of the amount calculated pursuant to subparagraph (A).

(iv) For the 2017–18 award year and each award year thereafter, the maximum award shall be 100 percent of the amount calculated pursuant to subparagraph (A).

(B) A ~~nonprofit~~, nonpublic postsecondary educational institution accredited by the Western Association of Schools and Colleges shall be deemed a qualifying institution if the total amount of institutional aid provided to California resident students by that institution, in any award year, is no less than 50 percent of the total Cal Grant awards received by its students, unless that institution has fewer than 50 students receiving Cal Grant awards or charges an annual tuition that is no more than 50 percent of the average of the annual tuition charged by all institutions to which this subparagraph is applicable.

(C) As used in this paragraph:

(i) “Average state support per student” means the total General Fund support for the University of California and the California

1 State University divided by the number of California resident
2 full-time equivalent students for each four-year public segment.

3 (ii) “Institutional aid” includes scholarships and fellowships
4 granted and funded by a postsecondary educational institution or
5 by a department within that institution, and includes scholarships
6 targeted to certain individuals based on, for example, state of
7 residence, major field of study, or athletic team participation, for
8 which the institution designates the recipient.

9 (d) Commencing with the 2000–01 academic year, and each
10 academic year thereafter, the Cal Grant C award shall be utilized
11 only for occupational or technical training.

12 (e) Commencing with the 2000–01 academic year, and each
13 academic year thereafter, the Cal Grant T award shall be used only
14 for one academic year of full-time attendance in a program of
15 professional preparation that has been approved by the California
16 Commission on Teacher Credentialing.

17 (f) An institution of higher education in this state that
18 participates in the Ortiz-Pacheco-Poochigian-Vasconcellos Cal
19 Grant Program shall not reduce its level of per capita need-based
20 institutional financial aid to undergraduate students, excluding
21 loans, below the total level awarded in the 2000–01 academic year.

22 (g) The implementation of the policy set forth in this section
23 shall maintain a balance between the state’s policy goals of
24 ensuring student access to and selection of an institution of higher
25 education for students with financial need and academic merit.

26 (h) It is the policy of the State of California that the
27 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
28 supplement the federal Pell Grant program.

29 (i) An award under the Ortiz-Pacheco-Poochigian-Vasconcellos
30 Cal Grant Program shall not guarantee admission to an institution
31 of higher education or admission to a specific campus or program.